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BEFORE THE
ILLINOIS COMMERCE COMMISSION

CENTRAL ILLINOIS LIGHT COMPANY)	DOCKET NO.
d/b/a AmerenCILCO,)	07-0539
CENTRAL ILLINOIS PUBLIC SERVICE)	
COMPANY d/b/a AmerenCIPS and)	Public Forum
ILLINOIS POWER COMPANY d/b/a)	
AmerenIP)	
)	
)	
Approval of Energy Efficiency and)	
Demand Response Plan.)	

Springfield, Illinois
Tuesday, November 27, 2007

Met, pursuant to notice, at 7:00 p.m.

BEFORE:

MR. ROBERT BENSKO, Public Forum Officer

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter

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I N D E X

PRESENTATION

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PROCEEDINGS

PUBLIC FORUM OFFICER BENSKO: Good evening,
ladies and gentlemen. I would like to start now.
First of all, I would like to introduce a few people
in the room. Chairman of the Illinois Commerce
Commission, Chairman Box, is sitting up front and
Commissioner Erin O'Connell-Diaz. We have some other
staff that are in here tonight and seated next to me
is Gene Beyer, and Gene is the Bureau Chief for the
Public Utility Division.

Public hearing on the energy
efficiency demand-response measures, Ameren case
07-0539 and Department of Commerce and Economic
Opportunity, case number 07-0541.

Good evening and welcome to the
Illinois Commerce Commission's public hearing. I am
Robert Bensko and I will conduct three public
hearings in the energy efficiency and demand-response
measures case. We will have this one tonight, one
Thursday night, November 29, in Rockford at the city
council chambers and Tuesday, December 4, in Chicago
at the ICC office in the Michael A. Landon Building.

1 Tonight we would like to hear your
2 comments on two proposals currently before the ICC
3 regarding how Ameren Illinois and the State
4 Department of Commerce and Economic Opportunity can
5 implement new state policies requiring electric
6 utilities to use cost-effective energy efficiency and
7 demand-response measures to reduce electricity
8 consumption. Comments on anything other than that
9 subject matter at hand will not be accepted. If
10 anyone has a complaint about service, billing or any
11 other subject, I ask you to meet with a
12 representative from your specific company or call the
13 ICC's Consumer Services Division at 1(800)524-0795.

14 A new law requiring electric utilities
15 to use cost-effective energy efficiency and
16 demand-response measures was adopted by the
17 legislature and signed by the governor in August of
18 this year. Ameren, ComEd and the State Department of
19 Commerce and Economic Opportunity have filed plans to
20 satisfy the energy efficiency and demand-response
21 measures, and the ICC must approve those plans within
22 the next two months.

1 If you would like to comment tonight
2 on the plans, I will call your name in the order in
3 which you signed up to speak. When called upon, I
4 ask that you state your name clearly and spell it so
5 that the court reporter will have an accurate record.

6 We will make a transcript of all
7 comments presented tonight. Copies of Ameren's,
8 ComEd's and DCEO's plans are available on the ICC
9 website at icc.illinois.gov, and you can file
10 comments through our website as well. The energy
11 efficiency demand response information is at the top
12 of the main web page and there are directions on how
13 to file a comment. The docket numbers are 07-0539
14 for Ameren, 07-0540 for ComEd and 07-0541 for DCEO's.

15 We will begin with a summary of the
16 plans from Ameren and Department of Commerce and
17 Economic Opportunity before we take comments. If you
18 have questions, please save them for a brief time
19 until their presentations are concluded.

20 I ask Mr. Stan Ogden, Vice President
21 of Consumer Service and Public Relations, and Mr.
22 Keith Martin, Manager of Consumer Services and Energy

1 Efficiency from the Ameren companies to begin. After
2 the conclusion of Ameren's presentation, Mr. Jon
3 Feipel, manager of DCEO's Energy Division will
4 present DCEO's plan, and then I will have the
5 question and answer period following.

6 The reason that we do these hearings
7 in the evening is to give the public an opportunity
8 to get home, grab a bite to eat and come speak before
9 us. We do this for the citizens' benefit. That's
10 why we are here tonight rather than doing these
11 hearings during the day here at the office. We try
12 to be open. I will let anybody speak tonight
13 specifically on the subject.

14 Are there any procedural questions
15 before we start? Does everyone understand how we are
16 going to do the format tonight? Seeing that, Mr.
17 Ogden and Mr. Martin, please step forward.

18 MR. OGDEN: Procedurally where would you like
19 us located? Would you like us to sit here?

20 PUBLIC FORUM OFFICER BENSKO: Yes.

21 MR. OGDEN: My name is Stan Ogden, Vice
22 President of Customer Service and Public Relations.

1 On behalf of the Ameren Illinois utilities, we
2 appreciate this opportunity to speak in a public
3 forum. I would like to open with just a few brief
4 comments, and I would like to introduce fellow Ameren
5 employees who are here this evening.

6 Ed Fitzhenry is here representing our
7 legal area. Illinois Regulatory Affairs is Jackie
8 Voiles with Keith and I tonight, and the Illinois
9 Public Relations staff, Lee Morris and Sean Van
10 Slipe, (sp) are here. Now, the folks that spent a
11 considerable amount of time working on developing our
12 plan, Mr. Rick Voytas, is here. He has helped with
13 the planning, the program analysis, with our plan.
14 And Keith Martin will be speaking, and Keith will be
15 responsible for the implementation.

16 Advancing to the first slide I would
17 like to just kind of cover the Ameren Illinois
18 commitment to the energy efficiency and
19 demand-response planning. The Ameren Illinois
20 utilities currently have our plan with 13 programs.
21 The 2008-2010 Energy Efficiency and Demand-response
22 Plan really represents the initial steps of a

1 long-term commitment to a process that will continue
2 to develop meaningful, long-term, cost effective and
3 sustainable energy efficiency initiatives.

4 To that point, the Ameren Illinois
5 utilities conducted a survey recently in October and
6 the question was asked what do customers want from
7 their energy company. And the number one response,
8 garnering 62 percent of the customers' responses, is
9 they wanted help in saving money on their energy
10 bills.

11 So the Ameren Illinois utilities are
12 committed to this program. We see it as a long-term
13 solution. We have, as the last point validates,
14 advanced energy efficiency initiatives with our
15 natural gas customers in a separate proceeding. So
16 we see this as a long-term solution for the energy
17 issues that we are facing in the Illinois
18 marketplace.

19 With that I would like to turn the
20 presentation over to Keith who will go through more
21 details of the program.

22 MR. MARTIN: First, I would like to thank you

1 for the opportunity to present the programs tonight.
2 We have categorized our programs into four general
3 solutions, the first being the residential electric
4 energy solutions, the second is the business electric
5 energy solutions, the third being the street light
6 replacement program, and then our demand-response
7 programs.

8 The first program I would like to talk
9 about is the Home Energy Performance. This is an
10 onsite energy audit of single family homes. The
11 homeowner will pay a nominal fee for this service.
12 The remainder of the program is covered through the
13 costs -- the remainder of the cost is covered by the
14 program. An onsite technician will visit the home
15 and check the infiltration and heat loss through
16 walls and the attic. There will be an assessment of
17 the air conditioner, its age, size and last service
18 date. And then the technician will also install up
19 to five compact fluorescent bulbs, faucet aerators
20 and a water heater blanket on electric water heaters.

21 The second program is the Residential
22 HVAC Tune-up Program. This provides residential

1 customers with diagnostic and maintenance services
2 for central air conditioning units. The contractors
3 are trained to use one of several analysis tools.
4 These tools check the refrigerant charge and the air
5 flow across the system's coils. Based on this
6 analysis tool, then the technician will make
7 modifications to help the unit operate more
8 efficiently.

9 The third program is a Residential
10 Appliance Recycling Program. This program promotes
11 the retirement and recycling of secondary inefficient
12 refrigerators that were manufactured before 1993.
13 This program will pay a consumer \$35 to retire a
14 working unit in their home. The program also
15 provides information and education on costs of
16 keeping that inefficient unit in operation. The
17 company, Ameren, will utilize an appliance recycling
18 company that will verify the customer is eligible for
19 the program. They will schedule a pick-up date for
20 the units, and then they will properly recycle and
21 dispose of all metals and plastics of the unit.

22 The Residential Lighting and Appliance

1 Program encourages the sale of Energy Star products.
2 This provides financial incentives to retail outlets
3 which will then encourage consumers to purchase
4 efficient lighting and consumer appliances. The
5 lighting program will generally follow the
6 Change-a-Light Model and will work with regional
7 contractors to establish price discounts and
8 point-of-sale rebates. For the appliance program the
9 strategies will likely offer time-limited promotions
10 with either mail-in or instant rebates.

11 The Residential Multifamily Program
12 delivers conservation measures to owners, managers
13 and developers of multifamily housing units. It
14 provides incentives for installation of more
15 efficient lighting in common areas. That lighting
16 would include compact fluorescent fixtures and LED
17 exit signs. More expensive or complex measures such
18 as windows or roof top air conditioning units would
19 be subject to an energy analysis process to validate
20 the cost effectiveness and also to establish
21 incentive levels.

22 The Residential New Heating,

1 Ventilating and Air Conditioning Program targets
2 homeowners and installers of residential central AC
3 units. It will promote the purchase of new central
4 air conditioners that are at efficiency levels that
5 are above current federal standards. It also
6 promotes proper sizing and installation of new units
7 through training with the installers. It also uses
8 protocol developed by the Air Conditioning
9 Contractors of America, and as with the diagnostic
10 tune-up program, it will seek to calibrate the
11 refrigerant charge and air flow of the units.

12 The next group of programs relate to
13 the commercial sector. The Prescriptive Program
14 offers a set of measures for commercial and
15 industrial customers. Examples include premium
16 efficiency motors, vending machine sensors, many
17 lighting measures, variable frequency drives, air
18 compressors and basic refrigeration equipment. These
19 measures were chosen in part because they are readily
20 available in the marketplace, and they will apply to
21 a large number of customers.

22 The Commercial and Industrial Custom

1 Program is a broad category of measures that are not
2 included within the Prescriptive Program. Basically,
3 this program provides financial assistance that
4 supports implementation of high efficiency
5 opportunities which are normally available at the
6 time when customers are installing new equipment or
7 modernizing facilities or making improvements to the
8 industrial processes. These incentives will be based
9 on the estimated savings and will be validated
10 through an engineering consultant that will be
11 involved with the program.

12 The Commercial and Industrial Retro
13 Commissioning Program identifies low cost tune-ups
14 and adjustments to existing building controls and
15 HVAC systems. It is delivered through a trained set
16 of instructors and it will focus on improving the
17 building system performance. And the emphasis here
18 is re-optimizing the existing systems or replacing
19 under-performing systems. To qualify for this
20 program there will be an initial facility assessment.
21 Also, the facility may be benchmarked against similar
22 facilities elsewhere.

1 The Commercial New Construction
2 Program is a market transformation program that
3 captures efficiency opportunities during the design
4 and construction of new buildings and major
5 renovations. The program uses the Leadership in
6 Energy and Environmental Design or LEED certification
7 process. This process works with design
8 professionals, trade allies and contractors. The
9 program's focus is to design and construct high
10 performance buildings that offer improved energy
11 efficiency, strong environmental performance and
12 optimum comfort.

13 The Street Lighting Program provides
14 upgrades of street light fixtures to fit more
15 efficient models. This program is targeted to
16 communities that have Ameren-owned mercury vapor or
17 incandescent light fixtures. These technologies will
18 be replaced with more efficient technologies such as
19 high pressure sodium fixtures. Discounts to the cost
20 of the fixture will be provided through our tariffs.
21 Also, the tariffs will produce lower energy charges.
22 Other energy efficient technologies such as HID and

1 LED, or high intensity discharge and light emitting
2 diodes, will be considered where appropriate.

3 The next two slides cover Ameren's
4 proposed demand response programs. The first is the
5 Residential Air Conditioner Direct Control Program.
6 This program encourages peak demand reduction through
7 a fully automated direct load control of residential
8 air conditioners. The program provides free
9 installation of the load control switch and then
10 provides a credit to the customer that participates
11 in the program. This program then authorizes the
12 company to cycle the customer's air conditioner
13 during times of high peak load. The program will be
14 primarily implemented by the company with third
15 parties for installation and marketing assistance.

16 The second demand response program is
17 available to our commercial customers. Again, this
18 program promotes peak load reduction, targets
19 customers with demand that is less than 400 kW. A
20 contract will require the customer to reduce their
21 demand at a predetermined level. That level is
22 specified by the customer. We are asking that the

1 level of reduction be at least 25 kW or higher.

2 Customers that are participating in the program will

3 receive an automated fax or e-mail on the day of or

4 day prior to the curtailment event. And then

5 customers receive again a per-event incentive payment

6 in the form of a bill credit.

7 That's a brief outline of the proposed

8 programs that we have offered. I would like to spend

9 just a moment and speak about another program that is

10 being implemented by Ameren in the second quarter of

11 2008. This is referred to as our Energy Savings

12 Toolkit. This is an online web-based toolkit that

13 customers will have access to. It provides five

14 types of information for consumers. The first allows

15 the customer to understand changes to their bill,

16 either through price changes or effects of weather.

17 The second application allows customers to understand

18 the savings associated with upgrades to more

19 efficient appliances. And then the third module

20 allows customers to perform an energy analysis of

21 their home or business that will personalize ways of

22 reducing energy costs. The fourth module is an

1 energy savings tips library. This is a general
2 library that provides low cost ideas that can help
3 anyone save money. And then finally the module of
4 Energy Smart University is a general data base of
5 facts and energy sources that provides information on
6 safety and environmental impacts related to energy
7 use.

8 I wanted to also take just a minute
9 and point out that Ameren currently has on its
10 website an interactive diagram that allows customers
11 to see and understand the estimated cost of their
12 appliances in their home. This is available to all
13 consumers today.

14 Those are the program benefits. I
15 would like to spend just a moment and speak to what
16 this will cost consumers. The chart shown describes
17 the monthly fee for 2008, 2009 and 2010 for two
18 categories of residential customers. The first
19 category is a general use customer. The second is an
20 all-electric customer. As you can see on the chart,
21 in 2008 customers would pay 30 cents per month on
22 their bill, rising to 63 cents in 2009 and reaching

1 96 cents in 2010. That is the cost of -- the direct
2 cost to all consumers for the programs.

3 I wanted to take just a minute and
4 point out four examples of how customers that
5 participate in the programs can receive benefits.
6 The first is customers that install a CFL will save
7 approximately five dollars per year in their energy
8 costs. A typical home has 20 to 30 light bulbs. A
9 spare refrigerator that's manufactured prior to 1993
10 consumes almost \$18 a month or \$200 per year.
11 Increasing the efficiency rating for an air
12 conditioner from a CR 13 to a CR 14 can save a
13 consumer \$30 per year. And, finally, training
14 contractors to properly charge air conditioning units
15 and size duct work correctly can save a homeowner
16 approximately \$160 per year.

17 There are also some long-term benefits
18 to all customers and to society in general. First,
19 we would like to point out that by using less energy
20 at home, we can reduce greenhouse gas emissions.
21 Also, at the conclusion of the first year of the
22 program in May of 2009, we estimate that we will save

1 enough power for approximately 7700 single family
2 homes. Also, over the long run, increased energy
3 efficiency will delay the need for new power
4 generation, transmission and distribution facilities.

5 That concludes my description of the
6 programs.

7 PUBLIC FORUM OFFICER BENSKO: Thank you very
8 much. That was quite informative.

9 Now, we will take a three-minute
10 recess and have Mr. Feipel set up for his
11 presentation and then we will go forward. Then we
12 will have the question and answer period.

13 (Whereupon the hearing was in a
14 short recess.)

15 PUBLIC FORUM OFFICER BENSKO: We will
16 reconvene. DCEO has some handouts if anyone would
17 like one. Jon is passing them around.

18 This is Jon Feipel from the Department
19 of Commerce and Economic Opportunity.

20 MR. FEIPEL: Okay, and good evening. Let me
21 say first I would like to acknowledge in the audience
22 we have got Dave Streicker of general counsel, John

1 Knittle, deputy general counsel, and then also Greg
2 Lenaghan and Dave Baker from my staff who will also
3 be available for questions if needed.

4 PUBLIC FORUM OFFICER BENSKO: Thank you.

5 MR. FEIPEL: On behalf of the Illinois
6 Department of Commerce and Economic Opportunity I
7 would like to thank you for this chance to come and
8 present, go through, the Department of Commerce's
9 portion of the energy efficiency portfolio as you
10 requested here at the Commerce Commission in Docket
11 07-0541.

12 So we will go -- first, I would like
13 to walk through how we came about the programs and
14 our portion of the plan. Throughout the process,
15 since the bill was passed and signed by Governor
16 Blagojevich, we sought specific input from a number
17 of different parties. There were a number of
18 meetings with key stakeholders of the process, the
19 legislative process, the Attorney General's office,
20 Environmental Law and Policy Center, among a number
21 of others who were engaged. Then we also sought out
22 specific groups, Department of Health Care and Family

1 Services, for their input on some of our low income
2 programs. Illinois Housing Development Authority
3 again in that low income sector. Since a major
4 portion, as you will see, of the DCEO portfolio
5 focuses on public entities, the public sector, we
6 also sought them out specifically to make sure that
7 the programs we were working on would fit and work
8 for their needs.

9 From that, again, here is another
10 series of key factors in how the Department arrived
11 at the programs that we would be offering as our
12 portion of the portfolio. First, the statute is
13 fairly clear. DCEO shall produce some portion of
14 savings. It is linked into the statute of ten
15 percent of the overall budget, which comes out to
16 about 40 percent of DCEO's budget, would focus on the
17 public sector as defined as municipals, community
18 colleges and schools. From there it makes sense --
19 the statute also includes a carve out for low income
20 customers. It makes a lot of sense that a state
21 agency like DCEO would coordinate the low income
22 programs because of our relationships with sister

1 agencies like HFS and IHDA and others.

2 So from there we decided that it was
3 also important -- DCEO, for those of you who don't
4 know, has run a very successful suite of energy
5 efficiency programs, albeit low budget, but very well
6 established in the marketplace for a number of years
7 now. So we thought it best to leverage those
8 programs and also be able to use some of our other
9 funding sources. We have federal funds. We have
10 some other dedicated state funds that we use for
11 those programs in order to cover some of the other
12 efficiency measures like natural gas that weren't
13 going to be included.

14 Then kind of last considerations, it
15 was very important, of course, to meet the three-year
16 kilowatt hour savings goals of this first three-year
17 plan. In order to position Illinois in a place to be
18 able to meet the longer term, more robust goals of
19 the plan, if we just focus on giving out specific
20 dollar incentives for light bulbs, for example, for
21 these three years and didn't do anything to develop
22 the market to get people educated and trained, it

1 wouldn't matter how much you try to throw in
2 incentives if there is not the people trained to
3 actually go further and with more robust efficiency
4 measures down the road.

5 And, lastly, it is critical that we
6 have some flexibility within the budgets of the
7 different programs, and so you will see that we tried
8 to limit the different sectors we focused on in order
9 to make it easy to shift dollars between programs.
10 If one isn't working in year two, for example, we
11 could switch to a different one.

12 So from there how will our portfolio
13 interact with some of the others? Well, first, as I
14 mentioned, some of these other DCEO funding sources
15 we will use to supplement the efficiency program,
16 both to cover things like natural gas that aren't
17 currently covered, but also to augment some of the
18 technical assistance and training programs as well as
19 some of the low income programs.

20 Also, Ameren and ComEd are doing to a
21 limited degree some of the market transformation
22 training, education programs. And so we thought,

1 okay, we were going to take that as a major piece,
2 also the low income programs as a major piece, and
3 those are significantly less cost effective than some
4 of the other incentive programs. So where we are
5 really kind of going with this is a team effort
6 between the Department and the utilities. Instead of
7 dividing up 75/25 percent the kilowatt hours savings
8 goals, as the law calls for with the dollar values
9 and the budgets, we are going to be more flexible and
10 the utilities are going to cover us a little more so
11 we can contribute a little less kilowatt hour savings
12 but be able to achieve some of these critical other
13 programs.

14 So from there, as I have touched on,
15 this gets you to kind of the major categories of
16 DCEO's programs. So for one, the public sector, that
17 focused on municipal K through 12 schools and
18 community colleges, will be a major focus. Again,
19 the law calls for 40 percent of DCEO's money to be
20 spent there. We are going to bump that up to 65
21 percent because we are also going to include
22 universities and state facilities who make their

1 procurement decisions in a very similar fashion.

2 The low income programs, that's locked
3 in by statute also that they receive their pro rata
4 share of the money that they contribute from their
5 bills. That calculates roughly to about 25 percent
6 of DCEO's total budget each year. And we are going
7 to try to make sure that that money is spread amongst
8 a little different low income categories, be it
9 affordable housing units, families that live in
10 rental properties or single family homes. That is
11 vital to the success of the low income programs.

12 And then from there to be able to hit
13 these more market transformation sectors like
14 technical assistance, education and training, design
15 assistance, all these different areas, to make sure
16 the market is ready for, again, the more robust
17 savings of the outer years.

18 This gives you kind of a snapshot of
19 DCEO's overall budget. In year one we are looking at
20 about \$12.9 million total, and then year two and
21 three it roughly doubles, a little more, and then
22 this again shows you a little bit more of a specific

1 break out between the three different sectors of how
2 those dollars would be divided.

3 So specifically now for the public
4 sector, the programs that we will be offering, very
5 similar and as you have heard from Ameren this
6 evening. We will be offering a Prescriptive Program
7 for that sector at the bottom. You can see
8 municipals, public schools, etc. And it will be very
9 similar in nature where there will be a menu of
10 different options, lighting upgrades, chiller
11 upgrades, AC upgrades, that then municipals in that
12 group can call us and get a rebate or a grant to
13 improve upon their existing equipment.

14 The Custom Program, again, very
15 similar, and as an aside, these are intentionally
16 designed to be similar to reduce claims of
17 discrimination in the marketplace. If you are
18 offering two different incentive levels to a business
19 versus a municipality, for example, you can imagine
20 the arguments will get back, why can't I get that
21 same dollar value, etc. So going back, the custom
22 program is designed, as you have heard, to be kind of

1 a catch-all for anything that doesn't fit nicely
2 within that prescriptive set of measures.

3 The New Construction Program, that
4 will be targeted to buildings in the public sector
5 that we should go beyond current energy code
6 standards. So whatever energy code building code
7 applies to the building in question, be it a K
8 through 12 school or a county building or whatever,
9 we will give dollar incentives to go beyond the
10 regular basis.

11 Then the last one, this is a specific
12 K through 12 school program. It is called Lights for
13 Learning. It is has been very successful in terms
14 of, instead of having children in grade schools going
15 door to door selling candy bars or pizza or whatever
16 else for school fund raisers, they will instead sell
17 compact fluorescent light bulbs of all shapes and
18 sizes and styles. And so, not only does the school
19 get an excellent fund raising opportunity, but then
20 also the program contributes to the curricula of the
21 schools in order that those kids are educated well in
22 the efficiency and the benefits of efficiency and why

1 you should conserve and that. So not only do the
2 kids go then door to door and sell the light bulbs,
3 they have a sales pitch, but also at home they can
4 help their parents and families become more
5 efficient.

6 From there, the low income set of
7 programs. As I said, we want to make sure that we
8 cover all different housing types for the low income
9 sector which can be very difficult to make sure that
10 the improvements are being done correctly and are
11 there to stay.

12 So, first, just kind of again
13 leveraging the current program. DCEO has been
14 running a gut rehab and new construction energy
15 efficiency program for affordable housing across the
16 state for a number of years. We are going to expand
17 on that and really tighten up some of the electricity
18 measures that make up that program.

19 From there, moderate rehab, we are
20 going to now create a new kind of offshoot program.
21 We have found over the years that because we have had
22 limited dollars available for our new construction

1 and gut rehab program, the affordable housing units
2 that are interested in just moderate rehab, the major
3 difference becomes gut rehab/new construction, you
4 have got the walls opened up so you can really get in
5 and tighten up building envelopes and add extra
6 insulation, etc., which you can't do in a moderate
7 rehab situation where you don't have access to that
8 kind of building wall cavity. So we are going to
9 introduce a new program to cover those types of
10 renovations.

11 Then to remodeling single family
12 homes, small apartment buildings, we are going to
13 partner with lending organizations like Shore Bank,
14 for example, that targets small loans to low income
15 households that would then include an energy
16 efficiency piece so that when a house is bought and
17 sold, we are able to get in there and upgrade
18 different appliances and lighting fixtures and the
19 like.

20 The last program we are going to offer
21 is the Direct Insulation Program. It is very similar
22 to what you hear about weatherization programs where

1 like the Department of Housing and Health Care and
2 Family Services, or IHDA, other departments, go into
3 a building and will directly install light bulbs or
4 refrigerators or window AC units. It is not really a
5 renovation. It is more of adding in an energy
6 efficiency measure on top of an existing building.
7 We are going to take funds and further fund those
8 agencies and other not-for-profit groups, potentially
9 municipalities, who offer programs similar, to kind
10 of leverage their already network of people in the
11 field, community action agencies, etc., that are very
12 good at putting in these kinds of measures.

13 Then we have got kind of a sector of
14 technical assistance programs. We are getting to
15 that market transformation sector now, a little bit
16 you have already heard about from Ameren. But the
17 DCEO has run two, again, very successful programs
18 over the years. The first is the Smart Energy Design
19 Assistance Center. It is a partnership with the
20 University of Illinois, Champaign-Urbana, School of
21 Architecture, to work with small businesses which are
22 going to expand and cover public entities also, to

1 really go through some design assistance, some energy
2 audits and help them improve upon the efficiency of
3 their buildings.

4 The second program that we have run
5 for a number of years has been called the MEEP
6 Program which is a Manufacturing Energy Efficiency
7 Program for large industrials. We are going to again
8 with this new portfolio kind of change this and ramp
9 it up to cover all really large customers. A big
10 contestant here would be hospitals, huge energy
11 users, and the MEEP Program now we are going to call
12 the LEEP program, will go a large way to helping
13 these people with energy audits and designing systems
14 and practices and the like.

15 The goal of both of these programs
16 will be to take businesses, public entities, from
17 across the state and then, not only tell them, okay,
18 here is how you should improve upon the efficiency of
19 your business or your building, etc., but then also
20 to funnel them into the appropriate either Ameren,
21 ComEd or DCEO efficiency incentive program. So, for
22 example, a small business in the city of Chicago

1 signs up with the SEDAC Program, the SEDAC redesigns
2 the tools for their business who would then send them
3 to ComEd for incentives for lighting and what not.
4 If it is instead in the southern part of the state or
5 outside ComEd's territory, it would be Ameren. If it
6 is a public entity, we would recommend them to the
7 DCEO incentive programs. So it is actually both to
8 do market system, market development transformation,
9 but also then as a guide toward the incentive
10 programs to make them further more successful.

11 Then the last kind of set of programs,
12 the education and training programs, the major focus
13 here is to work with the building industry and all
14 the different kind of job networks you can think of
15 that impact the building industry, whether it is
16 residential, commercial, industrial, building code
17 enforcement officials, to make sure that everybody is
18 aware of efficient building practices, efficient
19 installation techniques, so that as we are ramping up
20 these incentive programs over the years, that there
21 is a network in place of contractors and the like to
22 be able to put this stuff in when it becomes

1 available.

2 So from there, looking at how will
3 this be implemented, we, the utilities and DCEO, a
4 week or so back filed our proposed plans. Those
5 include a number of expected savings goals. Many of
6 the -- in fact the vast majority of the measures that
7 we propose -- come from a number of different
8 sources, best practices, especially reliant on
9 California's work in this field. They have been
10 doing it for a number of years and have become very
11 good at it. So we are planning on leveraging that
12 work that has already been done, due to the short
13 time frames, in order to make sure that these kind of
14 stay in place going forward.

15 And then we are going to come to it
16 here in a minute, an independent evaluator will be
17 hired per the statute, and we are proposing
18 recommending that an advisory group be put together
19 of interested parties to manage that contract, work
20 with the independent evaluator, and then take a look
21 at the different measures and the performance data
22 that is coming back in, and then let us know as we

1 are going along if something is not working. For
2 example, we want to know in half way through year two
3 that the program that you thought was a really great
4 idea a year and a half ago just is not working, it is
5 falling on its face, the demand wasn't there,
6 whatever. That's much better to know then because
7 you can readjust, you can recalibrate, you can shift
8 dollars. You don't want to find that out at the end
9 of the case or worse case scenario the end of the
10 three years because the absolute goal is to reduce
11 the energy use in the state of Illinois. If it
12 doesn't smell good, it will get penalized. The point
13 is to make the goals.

14 So from there, just very briefly to go
15 through, if you look at the total, now this gets a
16 little bit extra thrown in, but looking at the energy
17 efficiency portfolio standard and also the renewable
18 portfolio standard which was also included in the
19 same law, there are substantial environmental and
20 economical benefits that will be realized for the
21 state as a whole when you look at the utilities and
22 DCEO programs as a combination.

1 A lot of times we get the question why
2 is the Department of Commerce doing energy stuff, why
3 not Natural Resources, EPA or somebody else. Well,
4 there is an absolute substantial economic benefit
5 that can be achieved through these kind of programs
6 and certainly the renewable part also.

7 And to show you on just a graphic,
8 some of you have already seen this before if you were
9 in Bloomington about a month ago, but really just
10 kind of focusing on the first chart, that dark blue
11 at the bottom is the amount of fossil fuel and
12 nuclear generation we have needed over the years and
13 you can see as we get to about 2008, 2010, that line
14 levels off. We shouldn't be building any more fossil
15 fuel nuclear plants as the combination of the
16 efficiency, the top goal, and that red in the middle,
17 the renewable power, take the place of that. So we
18 shouldn't need any new plants which is going to, if
19 you look now at the right chart, lead to significant
20 carbon dioxide reductions. For these purposes you
21 can see the red at the top is what you are getting
22 from the efficiency portfolio standard and that

1 becomes substantial when you get out to the outer
2 years.

3 So from that, thank you very much.

4 PUBLIC FORUM OFFICER BENSKO: Thank you, Mr.
5 Feipel. We will not go into a question and answer
6 period. John, do you want to stay up front just in
7 case? You can pull that extra mic up there, and the
8 gentlemen from Ameren or whoever is going to do the
9 question and answer period.

10 Is there anyone in the audience that
11 would like to ask a question at this time? Any
12 comments? I know we are all family in here so we
13 have all heard it a million times. Seeing none. We
14 will adjourn until Thursday night at 7:00 p.m. in
15 Rockford, Illinois. Thank you all for coming tonight
16 and thanks for the presentations.

17 PUBLIC FORUM ADJOURNED

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